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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203
801-538-5340

0037

May 12, 1992

Mr. Vernal Mortensen
Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111

Dear Mr. Mortensen:

Re: Partial Approval for Conveyor Construction, Coastal States Energy Company, Skyline Mine, ACT/007/005-91-1, Folder #3, Carbon County, Utah

The Division has reviewed your plans for adding the overland conveyor to the Skyline Mine. At this time, there are still a number of technical deficiencies with your plan, however, your plans are considered complete enough to allow you to commence construction within Skyline's currently permitted and disturbed area. No activities should be conducted outside your current permit area and no areas of new disturbance are authorized with this partial approval. As a condition to this approval, Coastal States is required to commit to include in the field testing of reclamation techniques (contemporaneous reclamation), the graded "spoil muck" which will remain on the cut slopes of the conveyor bench and commit to covering this spoil with topsoil if the evidence gathered during field testing proves that the spoil is not a suitable growth medium.

A technical review document will be sent to you shortly discussing the deficiencies in your plan. These deficiencies will need to be corrected before final approval can be granted for your overland conveyor plans.

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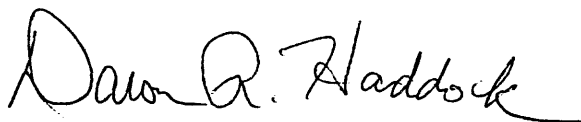
Mr. Vernal Mortensen

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Please bear in mind that Skyline is responsible for reclamation of any disturbed area and if final approval is not obtained for the conveyor you will be responsible for its immediate reclamation. Please call if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock". The signature is written in dark ink and is positioned above the printed name and title.

Daron R. Haddock
Permit Supervisor

jbe

cc: P. Burton
W. Western
PFO
SKYLCONV.DRH